

ORIGINAL

MEMORANDUM

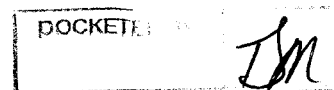
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Arizona Corporation Commission

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AUG 22 2012



TO: Docket Control Center 2012 AUG 31 P 2:15

FROM: Steven M. Olea
Director
Utilities Division

DATE: August 31, 2012

RE: WILLOW VALLEY WATER CO., INC. - REQUEST FOR EXTENSION OF COMPLIANCE DEADLINES (DOCKET NO. W-01732A-05-0532)

In Decision No. 68610, dated March 23, 2006, the Arizona Corporation Commission ("Commission") approved the application of Willow Valley Water Co., Inc. ("Willow Valley" or "Company") for an extension of its Certificate of Convenience and Necessity. In issuing its decision, the Commission ordered the Company to provide filings relating to the Developer's Letter of Adequate Water Supply ("LAWS"). Decision No. 68610 ordered that Willow Valley should file.

"copies of the Developer's Letter of Adequate Water Supply, stating that there is adequate water, no later than one year after a decision in this docket."

Only the LAWS for Parcel C remains outstanding and the original Commission due date on that item was March 23, 2007.

Pursuant to Commission Decision No. 72295, the Company's request for Extension was granted; for the provision of the LAWS for Parcel C.

On March 15, 2012, McKellips Land Corporation ("MLC") filed a subsequent request for extension of time seeking another one year extension for the provision of the LAWS for Parcel C. Since MLC is not a regulatory entity under the Commission's Jurisdiction, Staff therefore requested that Willow Valley file the current request for extension of time, rather than MLC. On August 17, 2012, Willow Valley docketed a request for an extension of time on the provision of the LAWS for Parcel C until September 30, 2013.

In its application, Willow Valley provides the following regarding its extension request:

"Willow Valley has no control over MLC or its ability to obtain the LAWS for Parcel C, and Willow Valley is concerned about the multiple extensions of time in this docket. However, Willow Valley is also mindful that MLC has expended significant resources and efforts in reliance on the CC&N for Parcel C. Therefore, Willow Valley believes that one final extension of time is appropriate. Willow Valley suggests that the deadline to obtain the LAWS for Parcel C be extended until September 30, 2013.

“This Joinder shall serve as Notice under the Main Extension Agreement (Agreement) between Willow Valley and MLC for Parcel C, that Willow Valley hereby terminates the Agreement in accordance with Section 11 of the Agreement for failure to complete the project with reasonable diligence, unless the LAWS is submitted on or before September 30, 2013. This Notice should ensure that no further extensions are requested by MLC.”

Given the information provided by Willow Valley and MLC, Staff again concludes that endeavors have been made to work toward complying with the requirement to obtain the LAWS on Parcel C. Staff does not oppose Willow Valley's request that MLC be granted a final extension of time to provide the LAWS on Parcel C. Staff recommends that Willow Valley's September 30, 2013 extension date be granted.

Further, Staff recommends that no further extensions of time be granted.

SMO:BKB:lhk/kdh

Originator: Brian K. Bozzo

SERVICE LIST FOR:
DOCKET NO.

WILLOW VALLEY WATER CO., INC.
W-01732A-05-0532

Mr. Michael W. Patten
Mr. Timothy J. Sabo
Roshka DeWulf & Patten, PLC
One Arizona Center
400 East Van Buren Street, Suite 800
Phoenix, Arizona 85004
Attorneys for Willow Valley Water Co.

Mr. Michael P. Anthony
Carson Messinger PLLC
4808 N. 22nd Street, Suite 200
P.O. Box 33907
Phoenix, Arizona 85067
Attorneys for McKellips Land Corp.